



Joint Policy Committee

January 20, 2006
10:00 a.m. to 12:00 Noon
MetroCenter Auditorium
101 Eighth Street, Oakland

AGENDA

1. Call to Order
2. Approval of Joint Policy Committee Meeting Minutes of November 23, 2005 (attached) Action
3. Principles for Emergency Management Legislation Action
ABAG and MTC staffs have prepared a set of principles to guide regional advocacy relative to potential emergency management legislation. They are seeking JPC endorsement of these principles.
4. Regional Blueprint Planning Program Discussion
The Business, Transportation and Housing Agency has awarded ABAG and MTC a \$500,000 planning grant for the remaining six months of FY 2005-06. Depending on satisfactory progress and re-application, a second \$500,000 will be available for FY 2006-07. Staff will report on timelines for completing the next six months of work and on an anticipated program for the fiscal year following. Upcoming events, requiring JPC member participation, will be highlighted.
5. State Initiatives Affecting Regional Transportation and Land-use Planning Discussion
Therese McMillan, MTC Deputy Executive Director, will provide an overview of current initiatives proposed by the Governor and the Legislature. These include major programs to deal with goods movement, and transportation/land-use coordination. The Business, Transportation and Housing Agency has been invited to send a representative to summarize the State's initiatives and hear the Committee's comments.
6. Urban Growth Boundaries and Urban Limit Lines Discussion
The Committee has asked for a region-wide look at the incidence of legislated boundaries on urban expansion: how do the counties and cities across the region contain new development? ABAG staff will provide a virtual tour of the Bay Area's lines, boundaries and conservation areas.
7. Other Business

8. Public Comment
9. Adjournment

NEXT SCHEDULED MEETING:

10:00 a.m. to Noon
Friday, March 17, 2006
MetroCenter Auditorium
101 Eighth Street, Oakland

This meeting is scheduled to end promptly at 12:00 Noon. Agenda items not considered by that time may be deferred.

The public is encouraged to comment on agenda items by completing a request-to-speak card and giving it to JPC staff or the chairperson.

Although a quorum of the Metropolitan Transportation Commission may be in attendance at this meeting, the Joint Policy Committee may take action only on those matters delegated to it. The Joint Policy Committee may not take any action as the Metropolitan Transportation Commission unless this meeting has been previously noticed as a Metropolitan Transportation Commission meeting.



Joint Policy Committee

Minutes of the Meeting of November 23, 2005 Held at 10:00 AM in the MetroCenter Auditorium, Oakland

Attendance:

ABAG Members:

Jane Brunner
Mark Green
Scott Haggerty, Ch.
Rose Jacobs Gibson
Steve Rabinowitsh
Gwen Regalia

BAAQMD Members:

Chris Daly
Mark DeSaulnier
Pamela Torliatt
Marland Townsend
Gayle Uilkema

MTC Members:

Bill Dodd
Sue Lempert
John McLemore
Jon Rubin
Shelia Young

ABAG Staff:

Gillian Adams
Henry Gardner
Pat Jones
Janet McBride
Kenneth Moy

BAAQMD Staff:

Suzanne Bourginon
Jack Broadbent
Henry Hilken
Jean Roggenkamp
Dave Vintze

MTC Staff:

Betty Cecchini
Steve Heminger
Therese McMillan

Other:

Amber Baer, UC Berkeley
Eloise Bodine, Bay Area Monitor
Wade Green, Caltrans, District 4
Rich Hedges, MTC Advisory Council
Brandon Kluzniak, UC Berkeley
Bartomies Krol, UC Berkeley
Steve Lowe, WOCA
Peter Lydon, SPUR
Jumin Song, UCTC

JPC Staff:

Ted Droettboom

1. Call to Order

Chair Haggerty called the meeting to order.

2. Approval of Joint Policy Committee Meeting Minutes of October 21, 2005

The minutes of the previous meeting were approved.

3. Regional Ozone Strategy

With the aid of a slide presentation, Henry Hilken, the Air District's Director of Planning and Research, summarized the Bay Area 2005 Ozone

Strategy and its relationship to the JPC's interests. A copy of Mr. Hilken's PowerPoint presentation is available on the JPC website: www.abag.ca.gov/jointpolicy/jpc_presentations.

After noting that a moderate change in fleet fuel efficiency would obviate the need for many of the measures in the strategy, the Joint Policy Committee endorsed the draft Bay Area 2005 Ozone Strategy.

4. The Role of JPC Members in Implementing and Refining the Regional Vision

Ted Droettboom gave a short slide show outlining the planned initial outreach approach for implementing and refining the regional vision ("Vision into Reality"). A copy of the slides is available on the JPC website: www.abag.ca.gov/jointpolicy/jpc_presentations.

JPC members indicated their interest in taking on an active "present and advocate" role in the outreach program, noting that this did not preclude acting in "advise and consent" and "convene and host" roles as well. They also suggested it would be beneficial for members to attend meetings in counties other than their own to lend support to their colleagues, to show region-wide interest in and support for the vision, and to learn about issues and concerns across the Bay Area.

In discussion members emphasized the need for vision implementation to:

- Recognize the value of agricultural, industrial, and distribution land and to protect that land for future generations;
- Provide specific, real and local examples so communities can see in a tangible way how vision implementation could benefit them and mitigate their concerns (i.e., there needs to be a payoff for existing communities and existing residents);
- Illustrate the economic benefits of the vision;
- Provide effective incentives;
- Overcome suspicion and animosity generated by the RHNA process and misunderstanding of the region's role in the process;
- Provide a clear definition of smart growth and a clear rationale for planning together as a region;
- Deal specifically with congestion and level-of-service concerns;

- Deal creatively with the conflict between the desire for long-term certainty (e.g., ten and twenty year plans) and the need for flexibility to deal with changing circumstances;
- Respect CEQA and other local planning processes that communities value.

Members believed that the program needed to proceed with urgency and were concerned about a program taking as long as eighteen months to two years. Public comment also identified a concern with timing and potentially missed opportunities. A report on timing was requested for the next JPC meeting.

It was suggested that, in addition to local elected and appointed officials, the outreach program needed to involve builders, non-profits, chambers of commerce, school districts, special-purpose districts, environmental groups and labor.

5. JPC Membership

After discussion, the Committee decided to maintain the current number and distribution of members (twenty-one in total, seven from each agency) and to continue to rotate the chair annually among the three agencies. The member next in line to chair will serve the prior year as vice chair. This means that for 2006, the JPC will be chaired by the MTC Chair and the JPC Vice Chair will be the Chair of the Air District. There will be no change in quorum rules.

6. Transit-Oriented Development and Travel Behavior

MTC's Rachel Gossen presented her analysis of how distance to transit nodes affected trip mode choices. A copy of Ms. Gossen's presentation is on the JPC website: www.abag.ca.gov/jointpolicy/jpc_presentations. The JPC expressed an interest in receiving Ms. Gossen's full report and in seeing future follow-up analyses. The clear link to parking requirements was observed.

7. 2006 Meeting Schedule

The schedule was received for information.

8. Other Business

There was no other business.

9. Public Comment

There was no public comment aside from that directed at specific agenda items and incorporated in the discussion summary for those items.

10. Adjournment



**Association of Bay Area Governments
Metropolitan Transportation Commission**

Date: January 12, 2006

To: Joint Policy Committee

From: Jeff Georgevich, on behalf of ABAG and MTC staff

Subject: Principles for Emergency Management Legislative

The past six months has seen an unusually high number of natural disasters, including several major hurricanes, major fires in Texas and Oklahoma, and floods in the Bay Area. Despite the large number of natural disasters, and the clear need for improvement in the ability to respond to and recover from them, the majority of funding at the federal and state level has been focused on terrorism. The topics of emergency preparedness and response are anticipated to be the subject of a wide range of bills in both the Congress and the Legislature during 2006.

Staff from MTC, ABAG and a half-dozen other agencies have worked together for the past three months to develop a set of consensus principles to guide legislative reform efforts. Active participants in the working group included staff from MTC, ABAG, San Jose, Marin County, Berkeley, and Oakland. In early January, the draft version of the legislative principles was circulated to a larger group for review and comment.

A copy of the Legislative Principles is attached. The principles are based on the concept of **comprehensive emergency management**, which entails the identification and mitigation of hazards and risks, as well as preparation for, coordinated response to, and recovery from disasters.

The principles are scheduled to go before the ABAG Executive Board for endorsement in January, and submittal for MTC action is scheduled for February. Other government agencies and professional societies will be invited to endorse the principles, in order to demonstrate a broad consensus that may guide state and federal legislative efforts.

RECOMMENDATION

THAT the JPC endorse the attached Principles for Emergency Management Legislation

Principles for Emergency Management Legislation

Background

California has experienced numerous federally-declared disasters, including the 1989 Loma Prieta earthquake, the 1991 Oakland Berkeley Hills firestorm, the 1994 Northridge earthquake, and the 2003 Southern California firestorm. With this history, the State of California and its local governments are leaders in mitigating, preparing for, responding to, and recovering from natural and man-made disasters. Accomplishments include the following:

- The Master Mutual Aid Agreement has been in effect since November of 1950 – 55 years!
- Local and state agencies have a decade of implementing the Standardized Emergency Management System (SEMS) since its inception in 1992. The roots of SEMS extend to the Incident Command System (ICS) of the 1970s and resulted from legislation following the Oakland-Berkeley Hills Firestorm. ICS and SEMS have been modified only slightly to become the National Incident Management System.
- Since the 1970s, California law has mandated that cities and counties adopt a General Plan that includes a safety element. The specialized plan elements allow local governments to define local policies and actions that are aimed to reduce risk from natural hazards. Some hazards, such as active faults, areas of earthquake-induced landslide susceptibility, and areas of liquefaction susceptibility are mapped in the state due to the Alquist-Priolo Fault Studies Zones Act and the Seismic Hazard Mapping Act.
- The federal Disaster Mitigation Act of 2000 requires that cities develop a comprehensive risk reduction strategy and a Local Hazard Mitigation Plan (LHMP). Berkeley was the first California city to comply with that requirement by adopting its LHMP in July 2004. In the San Francisco Bay Area, dozens of cities, counties, and special districts are using the multi-jurisdictional LHMP coordinated by ABAG.
- Further, the state has instituted stringent building codes since the early 20th century. The first Uniform Building Code was adopted in 1927. Though Californians take this legislative direction and ensuing regulatory procedures for granted, the California Building Standards Code is a significant tool in providing guidance for a robust built environment. Such regulations and enforcement procedures are not standard practice in many disaster-prone areas in the United States.

In light of recent disasters and in anticipation of the 100th anniversary of the 1906 earthquake, the following principles are proposed guide state and federal legislation consistent with the goal of the regional multi-hazard Local Hazard Mitigation Plan *to maintain and enhance a disaster-resistant region by reducing the potential loss of life, property damage, and environmental degradation from natural disasters, while accelerating economic recovery from those disasters.*

Policy Principles

1. Accountability and Authority: At the federal, state and local levels of government, responsibility, authority, and funding for Comprehensive Emergency Management for all hazards, including homeland security, should be vested in a single entity in the executive branch. Comprehensive Emergency Management entails the identification and mitigation of all hazards and risks, as well as preparation for, coordinated response to, and recovery from disasters. This function should report directly to the chief executive of the level of government (President, Governor, or County Administrator/City Manager/Mayor).
2. Local Control: A local political subdivision is the lead agency for disaster response within its geographic jurisdiction. At such time as the local political subdivision's capability to respond is overwhelmed, it requests assistance from the next highest level of government. The local jurisdiction requiring assistance remains in charge, including direction of personnel, equipment, and other assistance provided by others. Disasters that affect multiple counties require Comprehensive Emergency Management at the regional level, and a regional entity to prioritize needs and assistance during the immediate response and recovery periods. As various state and federal agencies become involved, they cooperate to the fullest possible extent with each other and the local and regional agencies while responding to requests for significant assistance, such as for providing emergency food and shelter or for removing and disposing of debris.
3. All-Hazard Plans: Each level of government should develop All-Hazard Plans to guide their comprehensive emergency management program in cooperation with adjacent cities and counties, as well as with regional agencies. The plans should 1) identify hazards and prioritize risks; 2) define mitigation strategies and prioritize investment programs; 3) include an emergency preparedness element to ensure that the agency, as well as its citizens and businesses, are ready to respond to the various hazards; 4) establish standard operating procedures for the response to any hazard; and 5) include priorities for the recovery of critical infrastructure and services to ensure economic recovery. The plan should address the need for businesses, neighborhoods, and all citizens (including those with special needs) to ensure their own safety and well being during the immediate response period.
4. Communications Interoperability: The federal government should define standards for communications interoperability, provide adequate spectrum (bandwidth) for public safety, and fund the transition to the new standards and spectrum. States should implement an interoperable system for state agencies, and support the implementation and integration of regional systems.
5. Unfunded Preparedness Mandates: Agencies at many levels of government have responsibilities to ensure readiness, ranging from provision of emergency supplies to inspection of facilities and review/approval of emergency plans. State and federal governments should provide stable funding for these responsibilities or authorize local governments to impose fees.

6. Funding and Cash Flow: The federal and state government should provide significant financial assistance to protect and strengthen critical systems and facilities, based on priorities in an All-Hazards Plan. They should implement financial mechanisms to enable payment methods other than reimbursement because local governments often do not have cash-flow resources for major projects.
7. Stable Mitigation Funding: Local and regional governments need a stable and predictable funding program for disaster mitigation projects that are shown to be cost effective using a risk-based priority-setting process. Funding should also encourage innovative multi-jurisdictional analysis and approaches. Government agencies should monitor these projects to ensure their continued effectiveness.
8. Infrastructure and Public Service Facility Investments: Preventive action is the most effective way to ensure community safety. Programs to renew infrastructure should include public-sector investments in hazard mitigation, including seismic upgrades of local transportation, water supply, flood protection, and communications systems. Service facilities needing public-sector investments include hospitals, public schools, and critical government buildings. Planning for such investments also requires adequate funding.
9. Private Facility Investments: Stronger partnerships with the private sector are needed to ensure safer and more disaster-resistant buildings owned by the private sector, including acute care facilities, private schools, and residential buildings. Current issues include (a) incentives for private investments in these facilities, (b) ways to improve the quality of residential seismic retrofit construction, and (c) risk sharing mechanisms such as insurance, mitigation, and reconstruction financing.



Association of Bay Area Governments
Bay Area Air Quality Management District
Metropolitan Transportation Commission

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Joint Policy Committee / Regional Planning Program

Date: January 11, 2006

To: Joint Policy Committee

From: Regional Planning Program Director

Subject: Implementing and Refining the Regional Vision: Current Status and Timeline

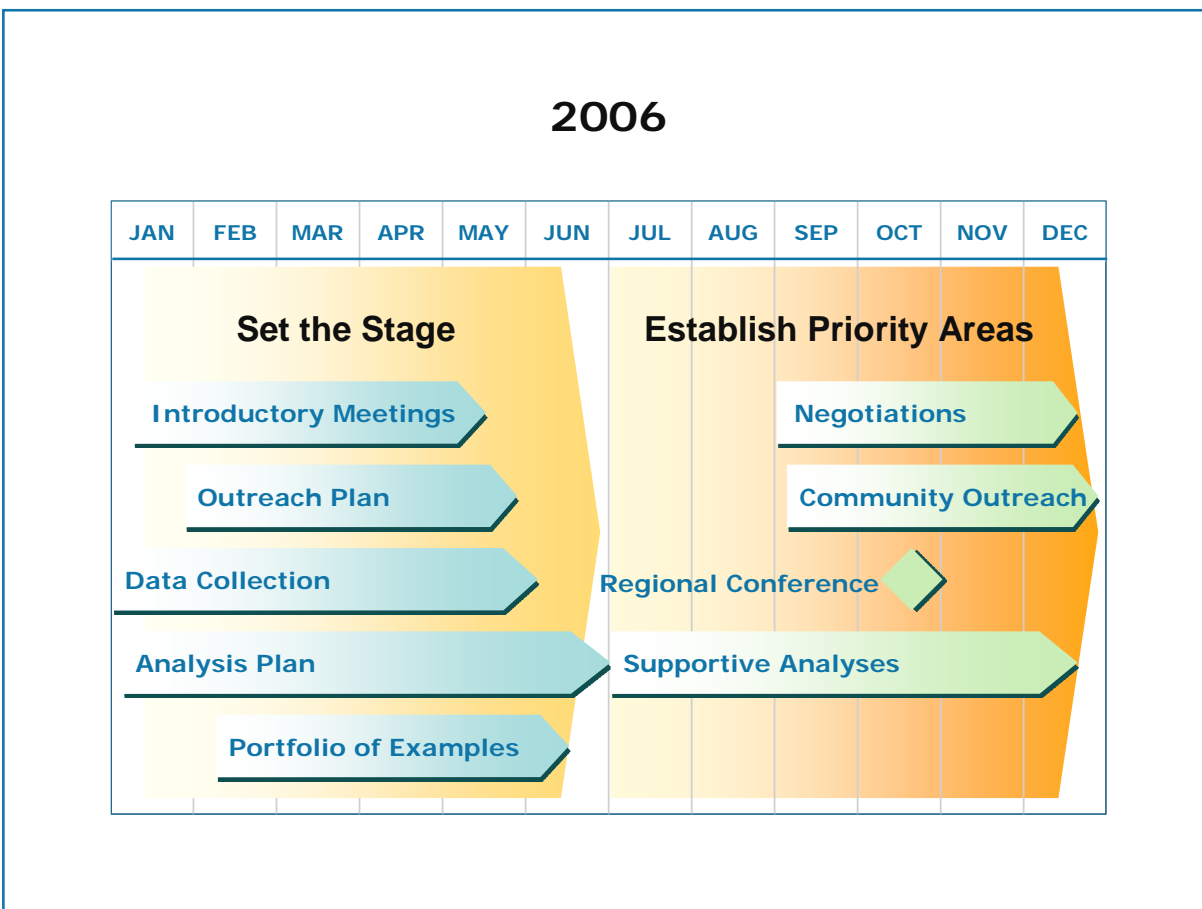
Last year the JPC approved a *Consolidated Work Program for Implementing and Refining the Bay Area's Smart-Growth Vision*. It also endorsed an application to the State of California's Regional Blueprint Planning Program to fund the initial stages of the *Consolidated Work Program*.

On December 21st, the State informed us that it had granted ABAG and MTC \$500,000 for the remainder of Fiscal Year 2005-06 (i.e., January through June) to pursue the work proposed in our Blueprint application. An additional \$500,000 has been set aside for Fiscal Year 2006-07, subject to successful completion of the tasks contemplated for the next six months and re-application. The grants are funded by federal transportation dollars channeled through the State. The \$1 million of state-allocated federal money will be supplemented by \$250,000 of regional in-kind match for a total program of \$1,250,000.

The grant-funded work pursues the housing emphasis in the *Consolidated Work Program*. More housing in the right places can help the Bay Area address its housing affordability issues while simultaneously improving transportation efficiency and conserving sensitive environment. The work also intends to engage local governments as committed partners. This is because achievement of the Vision depends heavily on land-use policy changes, which are the responsibility of local government.

The charts beginning on the next page summarize the proposed work for the calendar years 2006 and 2007. A more detailed Gant chart is attached.

The nature of the work, combined with the distribution of funding, results in a program which is heavily front-end loaded with preparatory technical tasks. The first six months will involve a great deal of data collection and the development of analysis and presentation tools which can assist with the partnered negotiation of priority development areas during the subsequent fiscal year. There is also an intense series of meetings to reintroduce local governments to the concepts of the Vision and enlist their partnership in the ensuing work. Meetings with regional and local stakeholders are also planned. All of this sets the stage for the negotiation of priority development areas which will occur during Fiscal Year 2006-07.

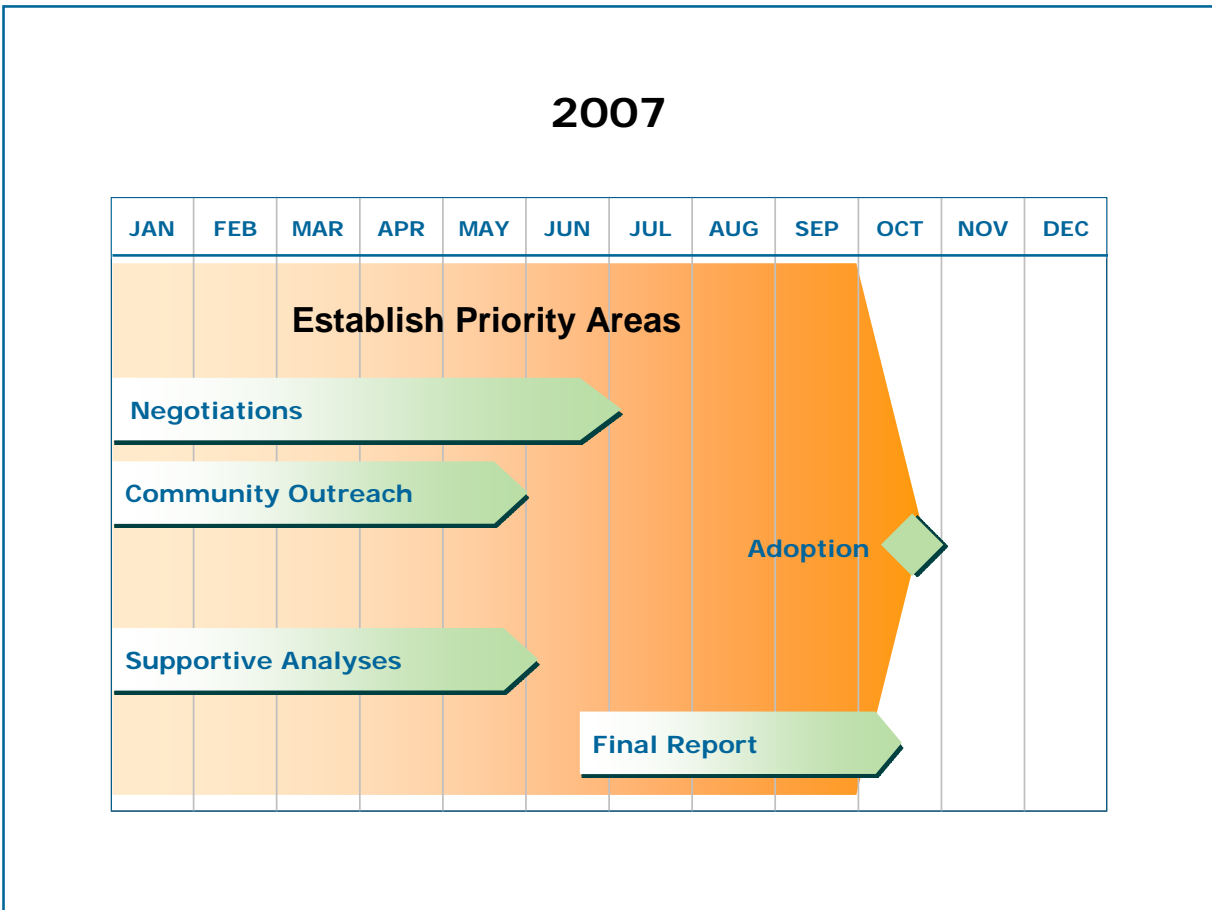


Priority development areas, ideally complemented by conservation areas, will be the primary geographic expression of a focused regional development strategy. This regional strategy, and local general plans consistent with the strategy, may become the key to accessing state planning and infrastructure funding. This proposed funding is intended to provide incentives for compact infill development, conservation of environmentally sensitive areas and the provision of affordable housing. The priority areas will also be of assistance in formulating a Regional Housing Needs Allocation (RHNA) process which is driven by a collective Bay Area Vision and is more responsive to the interplay of regional and local objectives.

Negotiation of priority development areas will be a two-way process, done in partnership with local governments and potentially involving the participation of many regional and local stakeholders. As it involves multiple parties as partners and participants, the precise nature and timing of the negotiation process is only imperfectly—if at all—predictable. The process will be owned by the regional agencies and by our local partners and defined jointly over the next several months. At this point, it is constrained by only two milestones, a regional conference to compare notes and confirm directions in October of 2006 and an objective of officially adopting priority areas as a regional strategy one year later.

The negotiations will be supported by iterative analyses of spatial data and the exploration of what-if scenarios through 3-D visualizations and other modeling techniques. The stakes are po-

tentially high: access to substantial incentives, new RHNA numbers, and a long-term re-direction of regional development and associated public investments. The negotiations will be substantive and will likely command a great deal of serious and time-consuming attention.

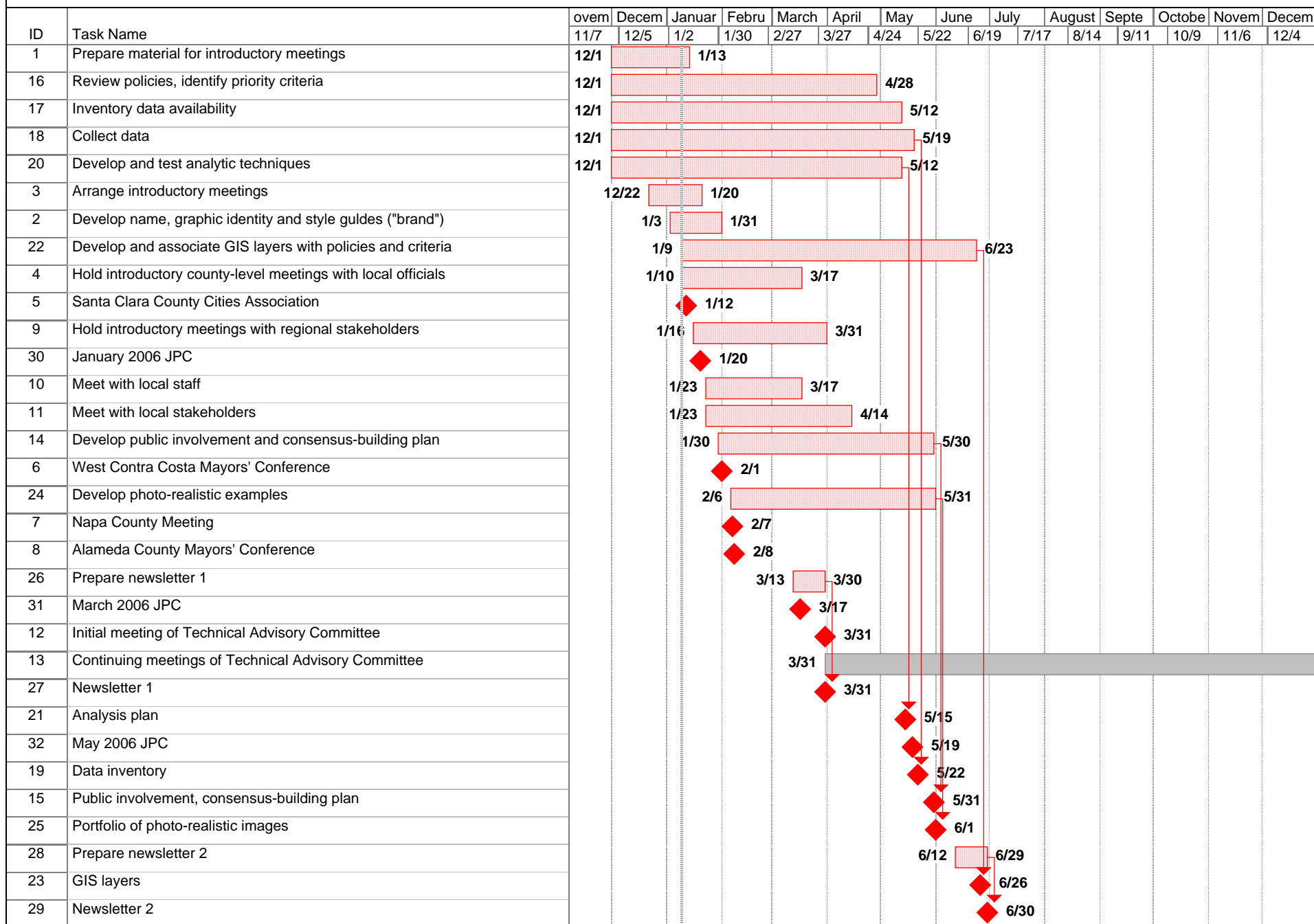


To kick off the program, meetings are currently underway with groups of local governments. These meetings involve the active participation of JPC members and of other members of regional planning bodies. An up-to-date schedule of meetings will be provided at the JPC meeting and on the JPC website.

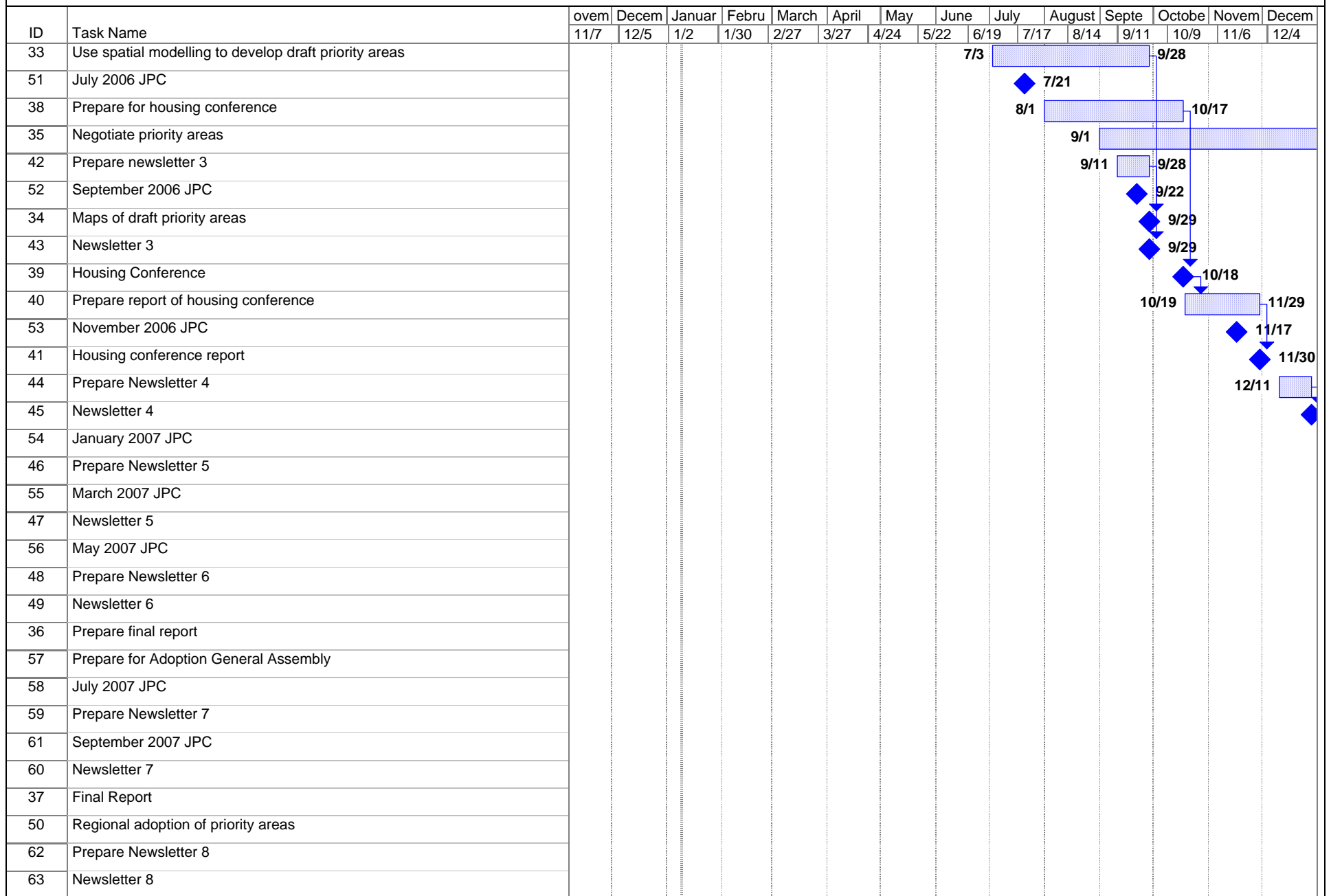
Future progress will be reported at bi-monthly JPC meetings and through a widely distributed newsletter. The JPC will be the primary locus for vetting regional policy issues as they arise.

Ted Droettboom
Regional Planning Program Director

Draft Blueprint Schedule



Draft Blueprint Schedule

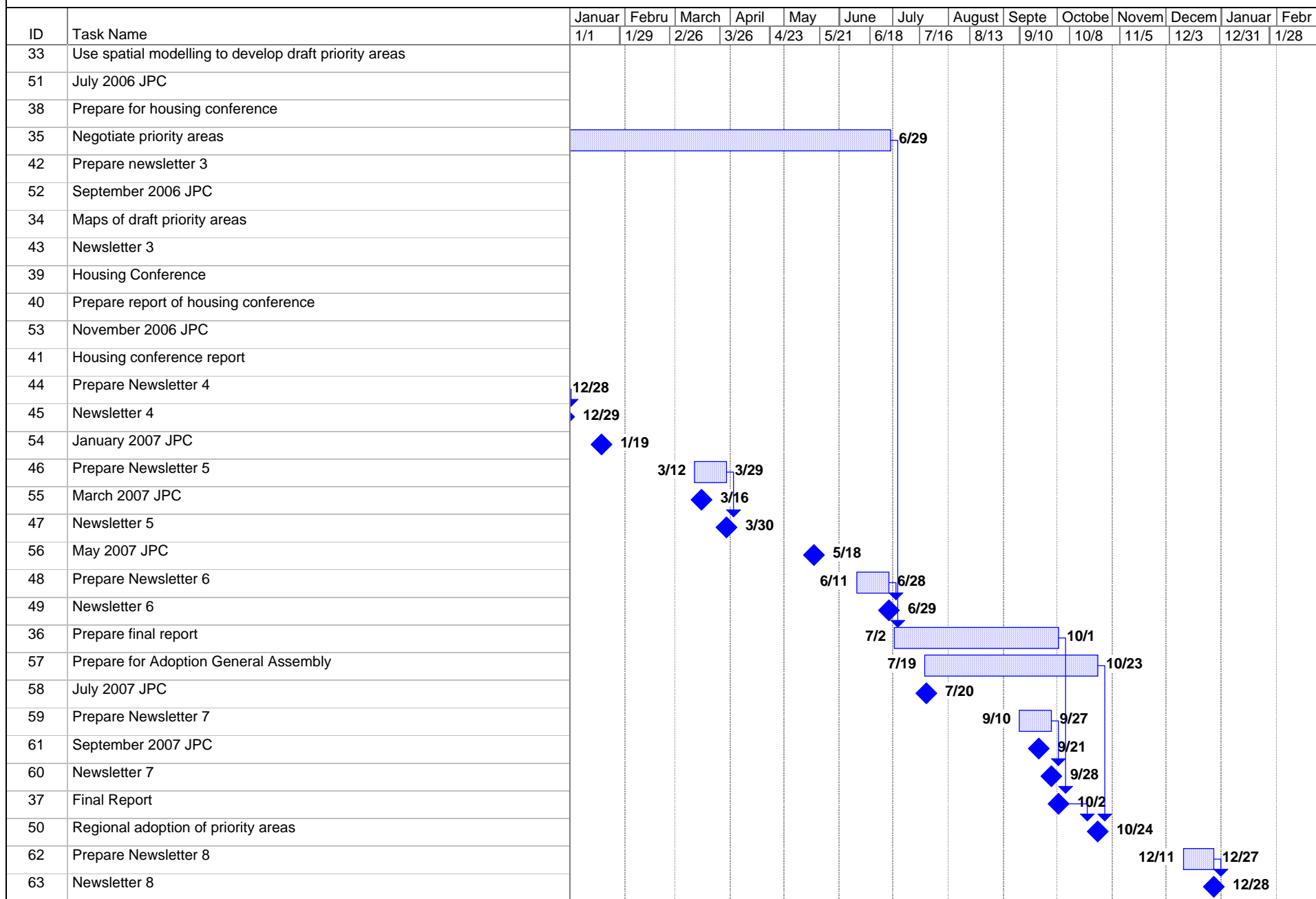


Draft Blueprint Schedule

ID	Task Name	Januar 1/1	Febru 1/29	March 2/26	April 3/26	May 4/23	June 5/21	July 6/18	August 7/16	Septe 8/13	Octobe 9/10	Novem 10/8	Decem 11/5	Januar 12/3	Febr 12/31	Febr 1/28
1	Prepare material for introductory meetings															
16	Review policies, identify priority criteria															
17	Inventory data availability															
18	Collect data															
20	Develop and test analytic techniques															
3	Arrange introductory meetings															
2	Develop name, graphic identity and style guides ("brand")															
22	Develop and associate GIS layers with policies and criteria															
4	Hold introductory county-level meetings with local officials															
5	Santa Clara County Cities Association															
9	Hold introductory meetings with regional stakeholders															
30	January 2006 JPC															
10	Meet with local staff															
11	Meet with local stakeholders															
14	Develop public involvement and consensus-building plan															
6	West Contra Costa Mayors' Conference															
24	Develop photo-realistic examples															
7	Napa County Meeting															
8	Alameda County Mayors' Conference															
26	Prepare newsletter 1															
31	March 2006 JPC															
12	Initial meeting of Technical Advisory Committee															
13	Continuing meetings of Technical Advisory Committee															
27	Newsletter 1															
21	Analysis plan															
32	May 2006 JPC															
19	Data inventory															
15	Public involvement, consensus-building plan															
25	Portfolio of photo-realistic images															
28	Prepare newsletter 2															
23	GIS layers															
29	Newsletter 2															

10/31

Draft Blueprint Schedule





METROPOLITAN
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COMMISSION

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Memorandum

TO: Joint Policy Committee

DATE: January 6, 2006

FR: Deputy Executive Director, Policy

RE: State Infrastructure Bond Proposals

Overview

Two large infrastructure bond proposals are now under consideration in Sacramento. The first of these efforts, developed last year, is Senate Bill 1024. This measure represents a first step by Senator Perata and Senator Torlakson in their effort to renew California's commitment to infrastructure investment. Governor Schwarzenegger recently joined the senators' efforts with his own infrastructure proposal, announced in his State of the State Address on January 5th.

All indications are that a significant infrastructure improvement program will be the subject of a Conference Committee to be held by leaders from the Senate, the Assembly and the Administration in the upcoming months.

At this time, SB 1024 is a \$10.3 billion General Obligation bond measure funding various infrastructure improvements to be placed before the voters at the November 2006 election. Approximately \$8 billion would be available for transportation improvements, including \$2.5 billion for goods movement projects and related mitigation and security. Over \$1.5 billion of the funds (including some of the transportation funds) are directed to housing-related initiatives, such as a specific transit oriented development initiative and an affordable housing incentive program. The remaining \$2.0 billion would be spent primarily on flood control, air quality and resource conservation projects.

The Governor's proposal—coined the “Strategic Growth Plan (SGP)”-- is a larger effort that includes Transportation and Air Quality, Education, Water and Flood Control, Public Safety and Courts and Other Public Services totaling \$68 billion of new state bonds between 2006 and 2014. The transportation element includes \$12 billion in new bond funds in two \$6 billion increments starting with the 2006. The second \$6 billion bond measure is proposed for 2008.

A general comparison of the transportation and land use elements included in SB 1024 and the Governor's proposal are as follows.

Transportation Funding Categories (\$ in millions)	SB 1024	Governor's Proposal
Repayment of Proposition 42 Loans to General Fund	2,300	N/A
State Transportation Improvement Program (STIP)	1,500	1,500*
High Speed Rail	1,000	N/A
Highways Corridor Mobility Projects Performance Projects (state interregional focus routes and regional priorities)	N/A	5,600
Transit/Rail Intercity passenger rail Pedestrian/bike paths and park and ride facilities	N/A	700
Technology/Intelligent Transportation Systems	N/A	200
Regional Housing and Community Growth	975	N/A
Affordable Housing Incentive Program (<i>For local street and road repairs</i>)	425	N/A
Transit Oriented Development Implementation	275	N/A
Port Infrastructure/Trade Infrastructure	2,000	3,000
Port Emission Reduction Efforts (Carl Moyer Program)	400	1,000
Port, Harbor and Ferry Terminal Security	100	N/A
Environmental Enhancement and Mitigation	100	N/A
TOTAL	\$9,075	\$12,000

* SHOPP (State Highway Operations and Protection Program)

Key JPC Areas of Interest

Reflecting the JPC's work program and recent topics brought before it, staff believes there are two key subject areas embraced by these state infrastructure initiatives that warrant the Committee's focused attention—Housing and Transportation/Land Use Coordination, and Goods Movement.

Housing and Transportation/Land Use Coordination

The Perata/Torlakson legislation includes funding for regional, general and specific planning. Regional agencies would administer a loan pool which would assist local governments in bringing their plans into conformance with regional transportation and land-use strategies (dubbed Regional Growth Plans in the bill). The regional plans would be prepared with State funding.

As local governments bring their plans into conformance with the Regional Growth Plans, they will become eligible for state incentive funding: for transportation, parks and

other urban infrastructure, for open-space conservation, for brownfield remediation, and for in-fill and affordable housing.

Special funding is also proposed to assist Transit Oriented Development (TOD) projects, as well as affordable housing incentives. Attachment A provides a more detailed outline of SB 1024's provisions in these areas.

Of note, the Governor's proposal includes no support for planning and no contingent funding for local governments. There are no infrastructure incentives for regionally appropriate development. We would recommend that the JPC advocate for retain the housing/land use coordination elements included in SB 1024, or similar provisions, as part of a final negotiated infrastructure bond package.

Goods Movement

Over the last year and a half, goods movement has definitely shone brighter on the state transportation radar screen. The Governor's inclusion of freight related infrastructure and mitigation proposals is a direct outgrowth of the Administration's Goods Movement Action Plan (GMAP), an effort spearheaded by a State cabinet-level Goods Movement Working Group, co-chaired by Secretary Sunne McPeak of the Business, Transportation and Housing Agency (BTH) and Secretary Alan Lloyd of the California Environmental Protection Agency (CalEPA).

The Goods Movement Action Plan (GMAP) is being developed in two phases. The first phase was completed with the release of the *Goods Movement Action Plan Phase 1: Foundations* report in September 2005, and included an assessment of goods movement environmental and community impacts and possible mitigation strategies; key aspects of public safety and homeland security issues; and a statewide inventory of existing and proposed goods movement projects drawn from regional transportation plans.

The Phase 2 effort is currently underway, and is intended to develop a goods movement "action plan" for capacity expansion, operational improvements, environmental mitigation strategies, innovative finance and funding, homeland security and public safety. Representatives from MTC, BAAQMD, the Port of Oakland, the Economic Development Alliance for Business and the Bay Area Council have actively participated in various working groups organized to guide this effort. The most recent GMAP recommendations, outlined in a Phase 2 "Action Plan- Progress Report" focuses on the concurrent implementation of operational and capacity increasing goods movement projects, and mitigation strategies, particularly those related adverse air emissions that have or may in the future result from increased freight activity. The most recent schedule calls for continued task force work in the first part of 2006, leading to final recommendations thereafter.

The study also includes a preliminary "short list" of improvement projects derived from the Phase 1 project inventory list. While this short list is not the only product emerging from the work group discussions, it appears to be a centerpiece of the Administration's effort and consequently a focal point of discussion and debate related to the infrastructure bond. MTC has submitted comments and recommendations reflecting joint interests of

Bay Area participants in this GMAP effort, summarized in Attachment B. We would also note that of the \$4 billion in bond proceeds recommended for freight in the Governor's proposal, \$1 billion is specifically targeted to air quality mitigation efforts. This reflects the deep-seated concerns of environmental agency and community interests expressed during GMAP working group deliberations. The Bay Area should take special heed of this provision, in order to ensure that our region is a recipient of these dollars to invest in mitigation efforts in this region.

As this effort makes its way through its concluding steps, we would recommend that the Joint Policy Committee consider a coordinated agency response to the Administration, supporting these concepts that we believe strengthen the region's position in this statewide study and eventual statewide funding plans.

ATTACHMENT A

Key SB 1024 Provisions for Housing and Transportation/Land Use Coordination

A. Transit Oriented Development Implementation Program

The \$275 million TOD Implementation Program gives the HCD Department authority to make grants to cities, counties and transit agencies for:

- 1) "Infrastructure necessary for development of higher density uses within close proximity of a transit station or facilitate connections between that development and the station.
- 2) To the extent that funds are available, loans to support housing developments and mixed-use developments within 1/4 mile of transit station in which at least 15% of units are made available for rent or purchase to persons of very low or low income for at least 55 years.

The bill does not specify how much of the \$275 million is available for each of these categories. It requires that HCD consider the impact of projects on increasing transit ridership and reducing auto trips, when awarding the grants for the above projects or developments. Bonus points are also required for projects that are within the boundaries of a transit village development plan or in an area designated for infill as part of a regional plan.

B. Affordable Housing Incentive Program

The \$425 million Affordable Housing Incentive Program provides transportation funding to cities and counties (for street and road repairs) that meet a significant portion of their overall and affordable housing needs. In order to be eligible for funding a city or county must:

- 1) have a housing element that HCD has determined to be in compliance or that they have self-certified as such.
- 2) have met 80% of its annualized housing need during the preceding year or 80% of its overall housing need the beginning of the planning period.
- 3) have met at least 30% of its annualized housing need for each of the very low, low-and moderate income categories during the preceding year or 30% of its overall housing need in these categories from the beginning of the planning period.

The bill requires that HCD report to the CTC annually on those cities that have met these requirements. CTC is tasked with awarding the funds over a 5-year period.

C. Regional Housing and Community Growth Incentive Account

This \$975 million program includes a number of different components and set asides.

- \$25 million for regional growth plans (controlled by the Resources Agency secretary)
 - \$15 million for regional agencies with a population greater than 1 million
 - \$10 million for those with a population less than 1 million

- \$75 million for a revolving loan/grant program controlled by the Resources Agency secretary to help local government with planning costs associated with infill development. The bill specifies the types of planning that is eligible, including general plan amendments, community or neighborhood plans, zoning revisions, as well as outreach to facilitate citizen involvement. Any fees recovered from project applicants that "benefit from the plans" shall be transferred either to the regional agency to further this type of work or returned to the state.
- \$200 million for a competitive grant program (controlled by the Resources Agency) based on "regional growth plans" based on whether the grant will promote wildlife conservation and/or prime agricultural land preservation or other infill development, consistent with provisions of SB 832 (should that become law).
- \$425 million for Competitive Infill Incentive Grants to local public agencies that:
 - 1) are included in a regional growth plan
 - 2) has conformed its local planning regulations to the regional growth plan
 - 3) the region meets requirements for local plan consistency

Eligible expenditures include "any capital outlay purpose" including, but not limited to urban parks, greening projects, water or sewer improvements, or any transportation improvements.

- \$200 million for the Housing Rehabilitation Loan Fund to be spent according to the Multifamily Housing Program for projects located in areas that are either 1) designated for infill by a regional growth plan or 2) qualify for a CEQA exemption.
- \$50 million for the Orphan Share Reimbursement Trust Fund to be used for cleaning up contaminated land (where the responsible party is insolvent) in areas designated for infill development by a regional growth plan.

ATTACHMENT B
Summary of Bay Area Comments and Recommendations
To the State Goods Movement Action Plan

1. **To the extent that a project specific “priority” list is a central outcome of this effort and centerpiece of recommendations going to the Governor in January 2006, such a list should be directly tied to delivering corridor or system-level improvements for moving freight and reducing public health impacts. In our region, such improvements should be concentrated on the Interstate 80/880/580, US 101 (Peninsula) and Southern Gateway corridors.**
 - There must be a demonstrable commitment in regional transportation plans for delivering those projects, including some realistic path for funding them.
 - The finance and infrastructure work groups should develop a joint recommendation for an iterative process that allows the “short list” of priority projects to be periodically re-evaluated, refined and revised as proposed financing strategies to deliver those projects are tested, and put into place.
 - MTC’s Regional Goods Movement Study includes a modified Bay Area short list of projects that reflects the above principles, is representative of freight related needs throughout the region, and should be considered for final inclusion.
2. **The GMAP must provide the capacity for balanced investment opportunities, both modally, and functionally.**
 - In the Bay Area, 80% of goods movement travel is by truck; similar shares are characteristic throughout the state. To date, discussion of options have been heavily biased to projects enhancing ship and rail movements. While off-loading some truck traffic onto rail is a desirable policy objective, the State’s plan must recognize that a significant share of goods continue to be moved by truck, and investments to make truck movement faster, cleaner and safer should have a prominent role.
 - A huge benefit can be realized by better utilizing our existing freight infrastructure. Investment in improving the operations and productivity of ship, rail, truck and the intermodal connections between them should be pursued as a first priority of the GMAP, including the aggressive pursuit and implementation of new technologies. This commitment must extend to the application of sufficient existing and new financial resources to operations.
 - Criteria for prioritizing the existing State Highway Operations and Protection Program (SHOPP) should be restructured to: a) put more emphasis on operating investments generally; and b) consider a specific investment share target for freight related projects. Likewise, the State Transportation Improvement Program (STIP) should incorporate a distinct funding target for freight out of the Interregional Transportation Improvement Program (ITIP) element. Lastly, the administration should support more program flexibility with Air District DMV surcharge and Carl Moyer Program funds to support cleaner engine technologies and operational improvements that reduce exposure to diesel particulate matter.

3. The GMAP should acknowledge current, inadequate state funding, and commit to pursuing new revenues.

- New revenues for funding may come from federal, state, local or private sources; however, the state should clearly contribute its share with concrete proposals for sources of new, predictable funding. Current infrastructure bond proposals by the Administration and the Legislature are potential vehicles to provide this funding in the form of general fund or revenue – backed debt financing.
- Private sector contributions will be vital, but must address the range of options that best match the investments pursued. The nexus concept of “Private fee for Private Benefit” is essential to successful user fee strategies, and would, among other things, determine that some types of user fees (e.g., the current legislative proposal for container fees) may be applicable to some freight and related public health investments, but not to others.
- Viable private sector funding proposals should be “matched” to types of projects generally, and to the “short list” specifically. Furthermore, the GMAP should espouse a “one size doesn’t fit all” approach and avoid recommendations that would levy a mandated fee statewide, but instead enable and facilitate private-public sector financial packages to be negotiated for individual projects or programs.

4. Emphasize the importance of considering land-use decision on goods movement activities.

- Discussion thus far has focused on regulatory measures to influence goods movement-supportive land use decisions. While we think some regulatory measures can be effective, there should be more of a focus to provide incentives for goods movement-supportive land use decisions. This incentives program should be tied into SB 1024 discussions and included in the final “short-list” of projects.